

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6515

BILL NUMBER: SB 247

NOTE PREPARED: Feb 16, 2004

BILL AMENDED: Feb 16, 2004

SUBJECT: Publication of Tax Warrant Lists.

FIRST AUTHOR: Sen. Server

FIRST SPONSOR: Rep. Crawford

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Department of State Revenue to compile, make public, and publish on the Internet the names and addresses of delinquent taxpayers who have owed more than \$1,000 in taxes and penalties for more than 12 months. The bill confers immunity on the Department for publishing the information. The bill also requires that a notice of intent to publish a name on the Internet be sent to the delinquent taxpayer before the taxpayer's name may be published on the Internet.

Effective Date: July 1, 2004.

Explanation of State Expenditures: (Revised) This bill will increase the administrative expenses of the Department of State Revenue (DOR) to compile a list of outstanding tax warrants and publish the list on the Internet. The list must identify each taxpayer subject to a tax warrant at least six months old from the date of the list and in an amount over \$1,000 by name, address, and amount of the tax due. DOR currently is required to prepare a list of outstanding tax warrants monthly and certify the list to the Bureau of Motor Vehicles. However, prior to including a name on the published list, the Department is required to notify the delinquent taxpayer at least two weeks prior to the list's publication. DOR estimates that there are approximately 54,400 warrants that would meet the 12-month specifications of this bill. They estimate that it would cost approximately \$43,000 in development costs to generate this list for the Internet with search capabilities. Standard postage costs for the initial monthly notice would be about \$20,125. There will be some minimal ongoing costs to replace the report monthly.

Explanation of State Revenues: *Secondary Impact:* If the publication of these lists increases the collection of existing tax warrants, additional revenue will be generated. It is unknown how much of the delinquent taxes would be collected sooner due to the publications of these lists. However, it is estimated that after eliminating those warrants which are deemed "exhausted, uncollectible, or under protest, the *minimum*

amount of tax liabilities from these warrants, due to the \$1,000 threshold, could be at least \$200 M. This will be updated when the information is provided by the DOR.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue; AccessIndiana.

Local Agencies Affected:

Information Sources: Tom Conley, Department of State Revenue.

Fiscal Analyst: Diane Powers, 317-232-9853.